

Send the Answer Scripts to :

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UG 6th Semester Examination, 2020 (R & B)

Subject : ECONOMICS

Paper –DSE-603

Full Marks : 80

Time : 3 hours

Answer all questions

The figures in the right-hand margin indicate marks

Candidates are required to give their answers in their own words as far as practicable

1. 'International trade arises due to differences in factor endowments across the trading countries.' Explain. 16

Or

- (a) 'Trade in commodities is a substitute for trade in factors.' Explain. 8

(Turn Over)

(2)

- (b) Discuss the opportunity cost version of the theory of comparative cost advantage. 8

2. 'The product cycle theory of vernon is an extension of the technological gap model'. Examine. 16

Or

- (a) Explain the production and consumption gains of a country from international trade. 8

- (b) Critically examine the doctrine of reciprocal demand. 8

3. Distinguish between tariff and quota. Discuss the effects of import quota. 16

Or

- (a) What is economic integration ? Discuss the forms of customs union. 8

- (b) Explain the effects of tariff on the tariff imposing country in a general equilibrium analysis. 8

(3)

4. Critically examine the monetary model to exchange rate determination. 16

Or

- (a) Examine the advantages of fixed and flexible exchange rate system. 8
- (b) Discuss the determination of the rate of exchange through demand for and supply of foreign exchange. 8

5. What do you mean by deficit and surplus in BOPs? Is deficit necessarily bad and surplus necessarily good? Discuss the measures to correct deficit in BOPs. 16

Or

- (a) Describe the achievements and failures of IBRD. 8
- (b) Do you agree with the view that BOPs always balance? Justify your answer. 8